



1Q 2014

Earnings Release

2014.05.14

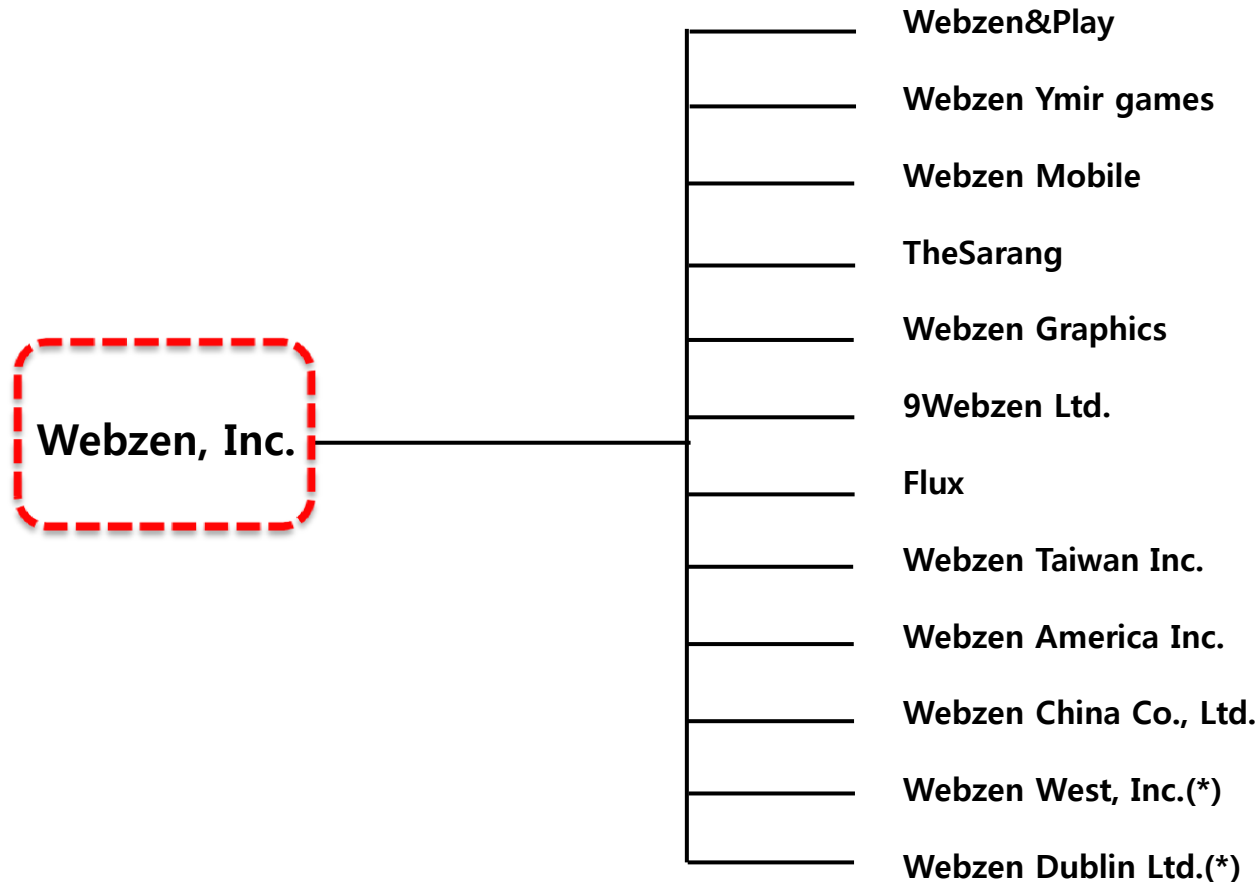
Webzen

Consolidated corporations

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K-IFRS introduced since 1Q11, the followings are the subsidiaries of Webzen



(*) Webzen West, Inc. has been acquired by Webzen Inc. since February 15, 2013. Webzen Dublin Ltd. is wholly owned by Webzen West, Inc.

(*) Webzen&Play, Inc. which was established in February 2014 is a subsidiary wholly owned by webzen, Inc.

Summary of financial Results

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[Consolidated Results]

(Unit : KRW million)

구 분	1Q14	4Q13	QoQ	1Q13	YoY
Revenue	17,786	17,794	0.0%	18,079	-1.6%
Revenues on Online-game Service	17,779	17,744	0.2%	18,061	-1.6%
Other revenues	7	50	-85.6%	18	-60.6%
Total Operating Expenses	17,421	18,362	-5.1%	16,436	6.0%
Operating Profit (Loss)	365	(567)	Turn a profit	1,643	-77.8%
Profit (Loss) before tax	864	(546)	Turn a profit	3,001	-71.2%
Income tax expenses	446	593	-24.8%	962	-53.7%
Profit (Loss)	418	(1,138)	Turn a profit	2,039	-79.5%

Results analysis (1Q)

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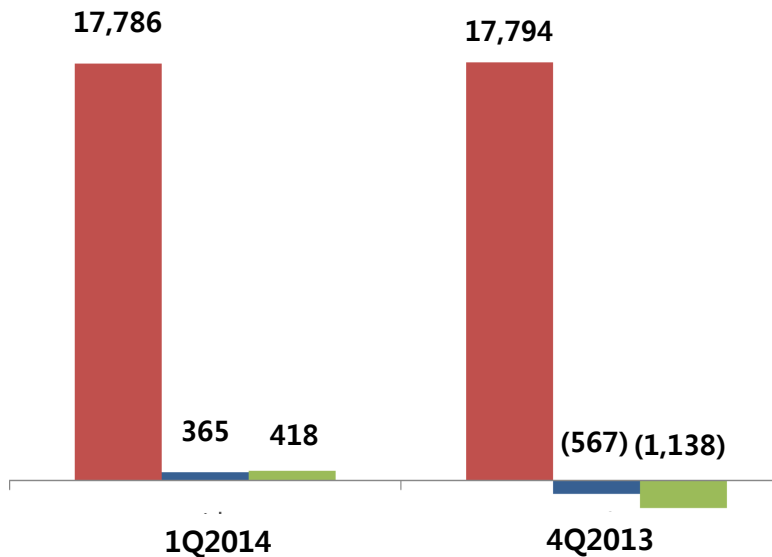


- ▷ Revenue : QoQ ↓ 0.05%, YoY ↓ 1.6% based on consolidated
- ▷ Operating Profit : QoQ Turn a profit, YoY ↓ 77.8% based on consolidated
- ▷ Profit (Loss) : QoQ Turn a profit , YoY ↓ 79.5% based on consolidated

QoQ (consolidated)

Revenue Operating Profit Profit(Loss)

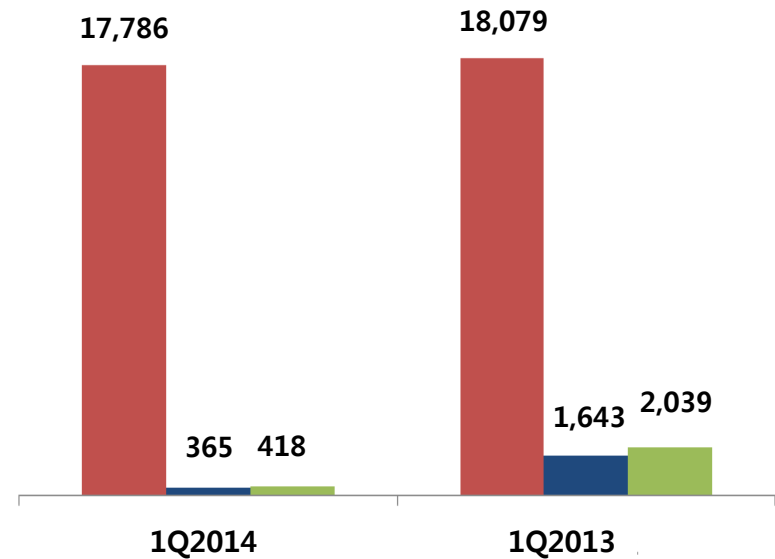
(Unit : KRW million)



YoY (consolidated)

Revenue Operating Profit Profit(Loss)

(Unit : KRW million)



Summary of financial Results

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[Parent]

(Unit : KRW million)

구 분	1Q14	4Q13	QoQ	1Q13	YoY
Revenue	11,540	11,212	2.9%	10,559	9.3%
Revenues on Online-game Service	11,276	10,837	4.0%	10,395	8.5%
Other revenues	264	374	-29.5%	163	61.5%
Total Operating Expenses	9,590	11,349	-15.5%	10,430	-8.0%
Operating Profit (Loss)	1,949	(137)	Turn a profit	129	1,413.8%
Profit (Loss) before tax	2,262	(1,374)	Turn a profit	9,603	-76.4%
Income tax expenses	230	194	18.1%	435	-47.2%
Profit (Loss)	2,032	(1,569)	Turn a profit	9,169	-77.8%

Results analysis (1Q)

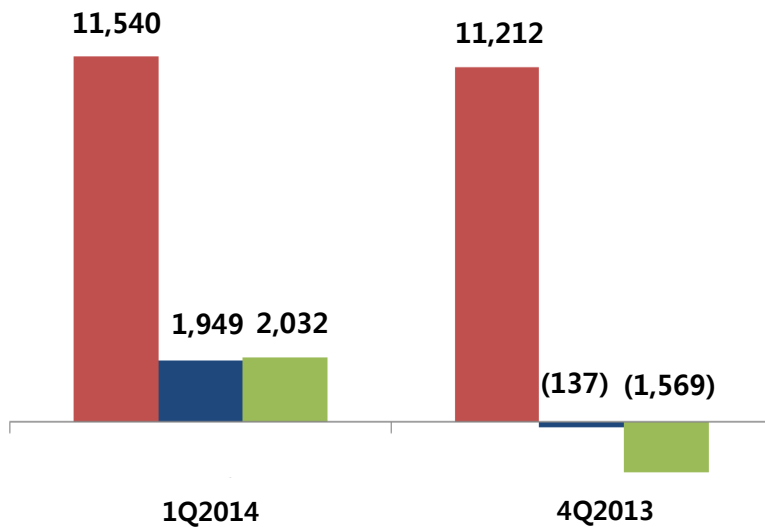
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- ▶ Revenue : QoQ ↑ 2.9% , YoY ↑ 9.3% based on Parent
- ▶ Operating Profit : QoQ Turn a profit , YoY ↑ 1,413.8% based on Parent
- ▶ Profit (Loss) : QoQ Turn a profit , YoY ↓ 77.8% based on Parent

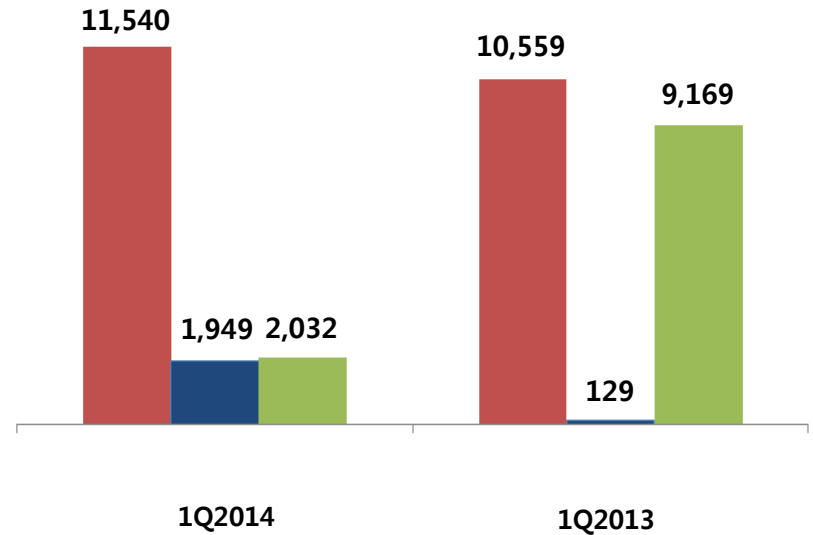
QoQ (Parent)

■ Revenue ■ Operating Profit ■ Profit(Loss)
(Unit : KRW million)



YoY (Parent)

■ Revenue ■ Operating Profit ■ Profit(Loss)
(Unit : KRW million)



Sales breakdown (by products)

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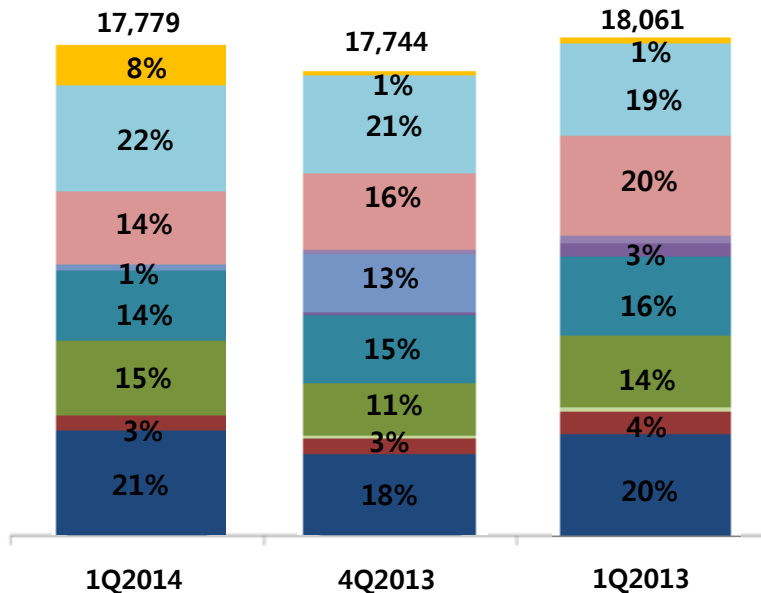


- ▶ MU 3.8bil (QoQ ↑ 20%, YoY ↑ 3%), R2 2.7bil (QoQ ↑ 36%, YoY ↑ 4%)
- ▶ C9 2.5bil (QoQ ↓ 2%, YoY ↓ 12%), Metin2 2.5bil (QoQ ↓ 16%, YoY ↓ 32%)
- ▶ gpotato(Webzen West/Webzen Dublin) Publishing sales 3.9bil (QoQ ↑ 3%, YoY ↑ 15%)

(Unit : KRW million)

Sales breakdown (by products)

■ MU ■ R2 ■ C9 ■ gpotato
■ SUN ■ Archlord2 ■ Metin2 ■ Others



	1Q2014	4Q2013	1Q2013
Total	17,779	17,744	18,061
MU	3,822	3,174	3,698
SUN	523	578	801
R2	2,686	1,979	2,571
C9	2,544	2,609	2,906
Archlord2	236	2,242	-
Metin1	164	141	229
Metin2	2,466	2,927	3,651
gpotato(*)	3,853	3,754	3,355
Others	1,462	124	182

*G-Potato Game Portal(Game service platform operated by Gala-Net) hosts a diverse portfolio of games such as Flyff, Rappelz etc

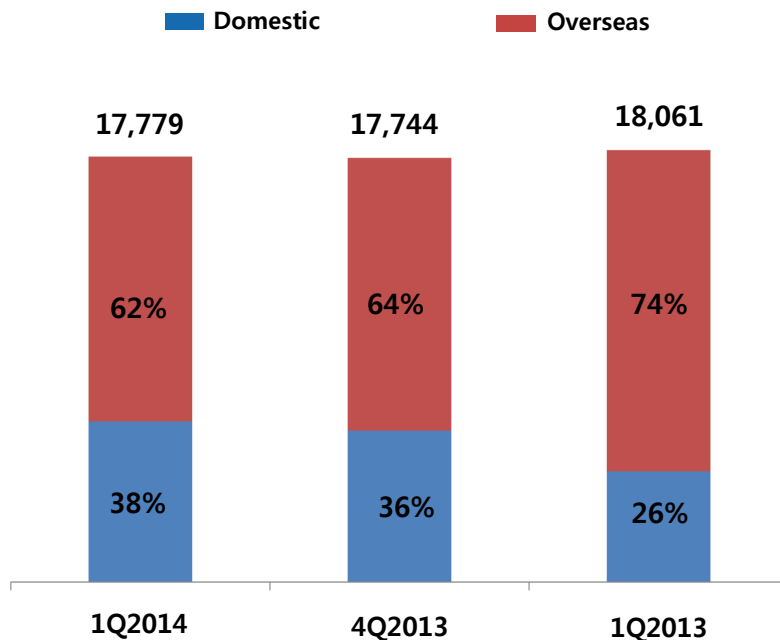
Sales breakdown (by markets)

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- ▶ Overseas Sales : 11.1bil - QoQ ↓ 3% , YoY ↓ 18%
- ▶ Domestic Sales : 6.7bil - QoQ ↑ 6% , YoY ↑ 45%
- ▶ Portion of Overseas : QoQ ↓ 2%P , YoY ↓ 12%P

Sales Breakdown (by markets)



(Unit : KRW million)

	1Q2014	4Q2013	1Q2013
Total	17,779	17,744	18,061
Domestic	6,727	6,339	4,638
Overseas	11,051	11,405	13,423

Summary of F/S(Consolidated)

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(Unit : KRW million)

구 분	2014.03.31	2013.12.31
Current Assets	36,752	39,043
Non-Current Assets	118,511	118,514
Total Assets	155,263	157,557
Current Liabilities	13,913	16,030
Non-Current Liabilities	11,205	11,812
Total Liabilities	25,118	27,843
Contributed Equity	17,655	17,655
Capital Surplus for Equity	148,291	148,291
Accumulated Other Comprehensive Income for Equity	1,093	1,107
Elements of Other Stockholder's Equity	(40,775)	(40,884)
Retained Earnings	3,878	3,535
Non-Controlling Interests	3	9
Total Equities	130,146	129,714

Summary of F/S(Consolidated)

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(Unit : KRW million)

구 분	1Q2014	4Q2013	1Q2013
Revenue	17,786	17,794	18,079
Revenues on Online-Game Service	17,779	17,744	18,061
Other Revenues	7	50	18
Total Operating Expenses	17,421	18,362	16,436
Operating Profit (Loss)	365	(567)	1,643
Profit (Loss) Before Tax	864	(546)	3,001
Corporate Tax	446	593	962
Profit (Loss)	418	(1,138)	2,039
Other Comprehensive Income	(96)	(495)	(796)
Total Comprehensive Income	322	(1,633)	1,243
Owners of parent company	328	(1,631)	1,247
Non-controlling interests	(6)	(2)	(4)

Summary of F/S(Parent)

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(Unit : KRW million)

구 분	2014.03.31	2013.12.31
Current Assets	17,326	21,876
Non-Current Assets	142,946	138,308
Total Assets	160,272	160,184
Current Liabilities	9,668	10,813
Non-Current Liabilities	6,591	7,922
Total Liabilities	16,259	18,734
Contributed Equity	17,655	17,655
Capital Surplus for Equity	148,291	148,291
Accumulated Other Comprehensive Income for Equity	5	(10)
Elements of Other Stockholder's Equity	(40,775)	(40,884)
Retained Earnings	18,836	16,397
Total Equities	144,013	141,450

Summary of F/S(Parent)

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(Unit : KRW million)

구 분	1Q2014	4Q2013	1Q2013
Revenue	11,540	11,212	10,559
Revenues on Online-Game Service	11,276	10,837	10,395
Other Revenues	264	374	163
Total Operating Expenses	9,590	11,349	10,430
Operating Profit (Loss)	1,949	(137)	129
Profit (Loss) Before Tax	2,262	(1,374)	9,603
Corporate Tax	230	194	435
Profit (Loss)	2,032	(1,569)	9,169
Other Comprehensive Income	422	(461)	10
Total Comprehensive Income	2,454	(2,030)	9,179

Thank you